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INPUT

Research Bulletin

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Multimedia — just another Personal Computer Application

Recent research by INPUT highlights a significant gap between European user's views of the potential of multimedia and their pragmatic utilisation of available technologies.

Amongst these findings are the following:

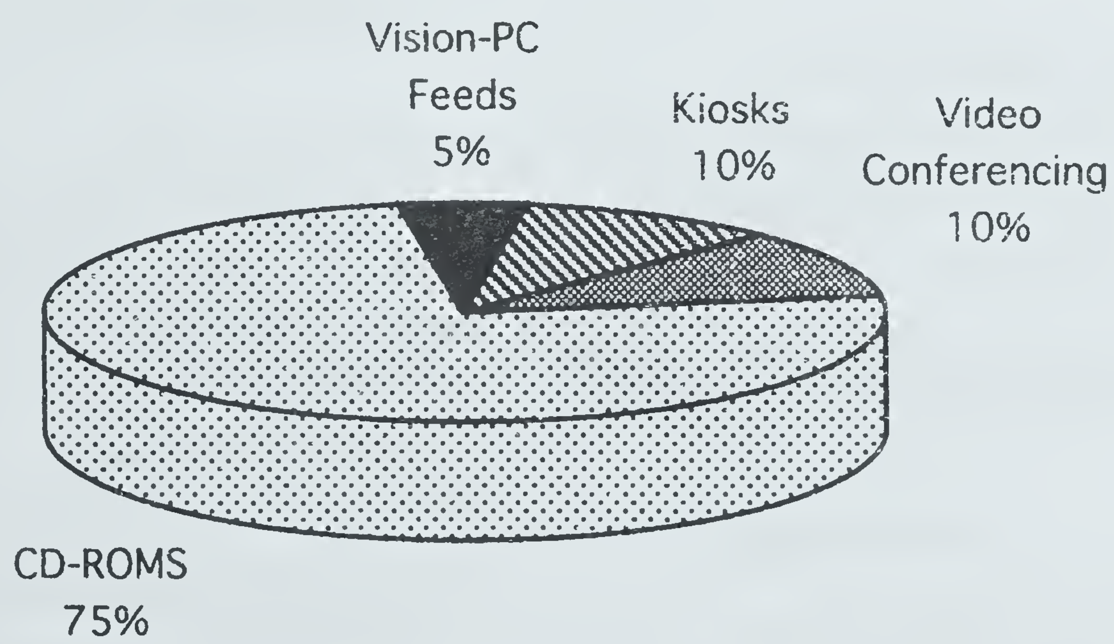
- Multimedia is in reality CD-Roms
- Users are intimidated by the prospect of multimedia
- Vendors of business integration (BI) services are well placed to implement multimedia technologies as they mature.

Multimedia is CD-Roms

As shown in Exhibit 1, the overriding reality from research into the implementation of multimedia-related technologies is that user's adoption of multimedia is still, to all intents and purposes, of a localised, stand alone, non-interactive software tool.

Exhibit 1

European User's Multimedia Utilisation



Sample of 60 European Respondents.

Source: INPUT

When asked what multimedia technologies were being utilised in their organisations, 75% of respondents stated CD-Roms. Other technologies being used were video-conferencing, kiosks, and moving image feeds onto PC platforms, but these three technologies are however heavily outweighed by CD-Roms.

CD-Roms have been available in the business marketplace since 1990-91 and are becoming commonplace in many large and mid-sized organisations.

Increasingly, personal computers are being manufactured with a built in CD-Rom player, and are close to reaching the critical price of $1,500, a psychological barrier, which when breached, will drive significant growth.

Although as a proportion of overall PC shipments PC's with CD-Roms are still a small part of the market, currently estimated at around 20%, this figure is expected to grow rapidly over the next two years.

This rapid growth in the uptake of CD-Rom pre configured PC's is being mirrored by the rapid fall in prices of CD-Roms. INPUT estimate that prices of CD-Roms will slide by 60% over the next five years (average price per title).

INPUT's research shows that 50% of respondents at the overall pan-European level have implemented some form of multimedia technologies over the last year.

Users are Intimidated by the Prospect of Multimedia

Exhibit 2 shows a summary of the most commonly expressed definitions of multimedia. These closely dovetail the terminology and type of language used by vendors and reported in the general, business, and IT-specific press and reflect the future promise of multimedia rather than the pragmatic reality of multimedia today.

Exhibit 2

Future and Present Qualities of Multimedia

Future	Present
On-line	Localised
Interactive	Read Only
Networked	Stand Alone
Integrated	Two media
Three media	Text - some graphics
Text, graphics and one other	

Source: INPUT

This can be read as a comment on the enormous amount of media coverage, hype, and speculation that there has been surrounding multimedia and especially the so called *Information Superhighway* over the last 18 months.

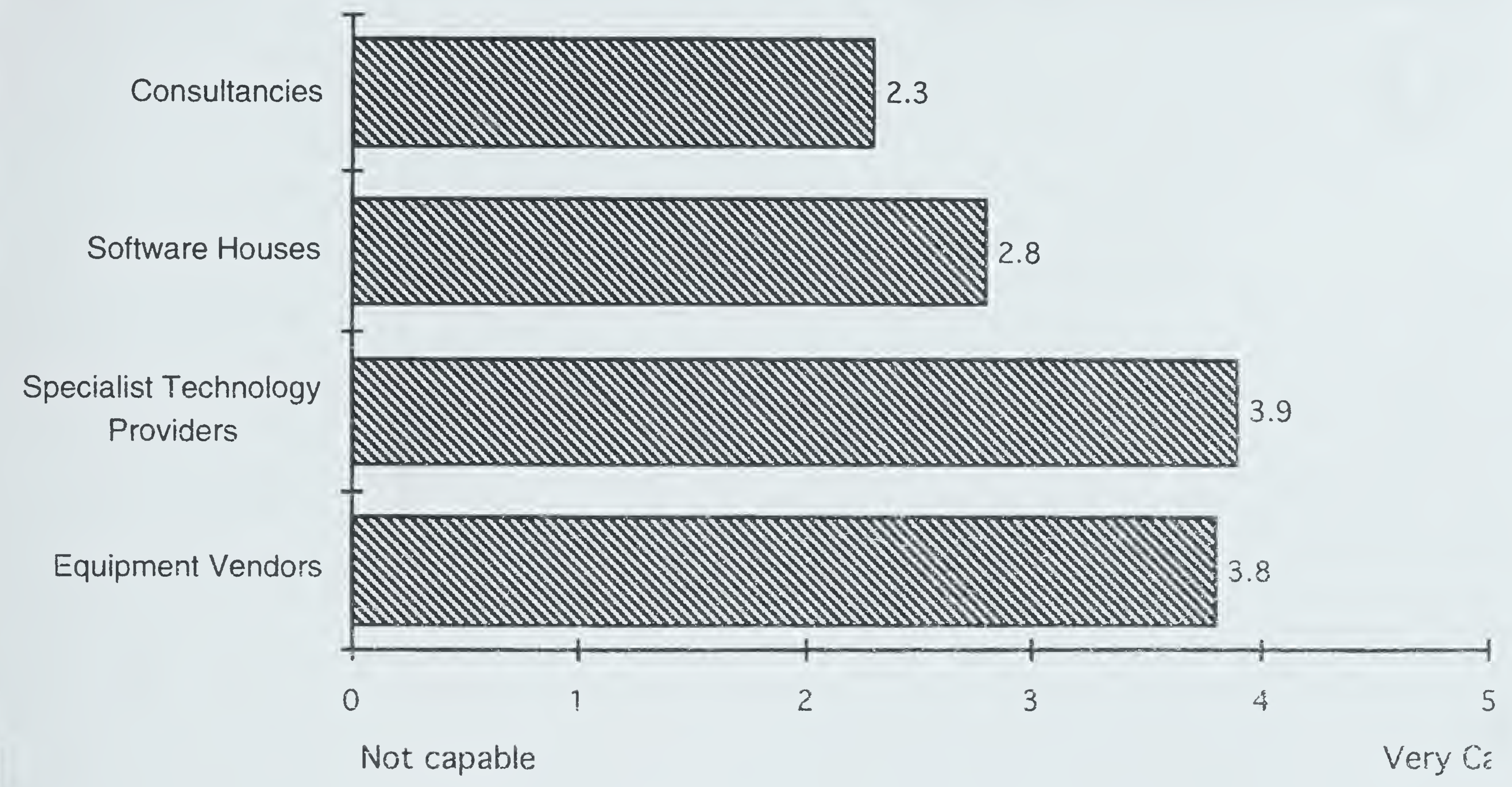
Permeating throughout the whole of this related information overload is the drip-feed flow of marketing-led data which informs and dictates the agenda to which journalists and commentators so eagerly subscribe.

In the face of this barrage of marketing, users aware of the learning curve ahead of them and intimidated by an uncertainty of its height and length, are keen to demonstrate that they understand the issues under discussion and what is at stake. Users do this through the use and repetition of language being used on the supply side of the marketplace.

However, as described above they are reluctant to implement anything other than CD-Roms.

Exhibit 3

User Views of Vendors Multimedia Implementation Capability



Sample of 60 European Respondents. *Source:INPUT*

Vendors of BI Services are Well Placed to Implement Multimedia Technologies as they Mature.

Exhibit 3 shows, at a European level, users' views of who will be best placed to implement significant multimedia projects.

There is a clear difference in users' perception between equipment manufactures and specialist technology providers on the one hand, and software houses and consultancies on the other.

Surprisingly, equipment vendors are perceived as being almost as capable as the specialist technology providers in this process.

This, however, is a reflection of the enormous resource of professional marketing and PR that these vendors are able to bring into play in getting their multimedia-related messages before consumer and business consumers, in a way that small specialist technology companies are unable to match.

Vendors of BI services clearly believe that they have a significant role to play in the implementation of multimedia and are well placed, due to their prime contractor and project management skills, to gain an important share of a more developed multimedia implementation market. They also increasingly recognise that in major technological implementation no one vendor has the total solution.

This will undoubtedly be the case in multimedia implementation where BI vendors will be presented with best of breed tools and solutions from a wide variety of organisations both large and small.

However, integrators will only be able to leverage their traditional skill sets if these are allied to expertise and experience of emerging technologies. The ability to utilise these products and approaches, in already open and increasingly distributed architectures will be crucial.

This Research Bulletin is issued as part of INPUT's Business Integration Programme – Europe. If you have any questions or comments on this bulletin, please call your local INPUT organisation or Ben Pring at: INPUT, 17 Hill Street, London, W1X 7FB, UK, +44 (0) 71 493 9335.